

CASE STUDY

Michigan State University Federal Credit Union Boosts Commercial Lending Services, Gains Competitive Advantage



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– JUSTIN HEWSON | MSUFCU BUSINESS SERVICES MANAGER

Michigan State University Federal Credit Union (MSUFCU) is seeing strong growth in its commercial lending portfolio. Today it serves approximately 15,000 business accounts and it expects 10% growth in this area over the next one to three years.

It became apparent to the business lending team that a technology upgrade was needed to more efficiently manage its growing portfolio and remain competitive in the market. Justin Hewson, MSUFCU Business Services Manager, explained that they had run into limitations with previous providers – issues including a lack of functionality, desired customizations, and ongoing support.

An Assist from Jack Henry Lending

It was this need that led them to Jack Henry’s LoanVantage®, an integrated solution that manages the full origination and lifecycle for both commercial and consumer loans. “We were interested in an end-to-end solution rather than several different software applications,” said Hewson. The loan department knew it would see improvements in efficiency by utilizing application to funding, boarding to the core, and servicing.

“By bringing all loans into one platform with the uniform standards, we ensure that we are tracking, underwriting, and managing the loans consistently,” said Hewson. This all-in-one solution will assist us as we grow toward a \$500 million portfolio,” said Hewson.

He added that efficiencies gained will help free lenders to do their jobs – there will be less manual data entry and more servicing of portfolios, as well as enhanced member interactions. The technology also allows members to engage in a more self-serve way. Hewson believes benefits like these will help set the credit union apart from its competitors. “We appreciate the benefits of better tracking, less duplication of effort, and streamlining and automating communication,” says Hewson. “With this system, we will be able to focus on real-time decisions rather than spending hours or even days trying to get a report to illustrate what happened a few days ago.”

Hewson explained that LoanVantage helps move their deals faster, so they can process more loans in less time. “The larger the portfolio, the greater the need to have everything in one system. Everyone sees the same updates and there is transparency between departments,” he said. MSUFCU also believes that Jack Henry Lending’s modern, up-to-date online application and user-friendly member portal for ongoing communication helps provide a competitive distinction.

Flexibility, Customization, and Integration

One feature of LoanVantage the credit union team appreciates is the solution’s flexibility. Ryan Larsen, MSUFCU Business Loan Operations Analyst said, “We have definitely seen advantages in terms of being able to customize processes.” Easily adding new fields and creating needed reports enhances the loan team’s day-to-day effectiveness. And making small changes is easy, so they don’t need to involve IT employees.

MSUFCU has also been pleased with the synergy between its Jack Henry core system and the lending platform. “The Jack Henry team is very engaged in improving connection and adding more integrations with the core,” said Hewson. The more cohesively they work together, the more the members enjoy a unified experience. “The ability to work with a single vendor for both core and loans is a huge advantage,” he added.

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– RYAN LARSEN
MSUFCU BUSINESS LOAN OPERATIONS ANALYST

Key Benefits

Credit union:

- Eliminate cost of multiple systems
- Scalable for growth over time
- Streamlined work efforts and transparency across departments

Business member:

- Online application anytime, anywhere
- Seamless experience from application to close
- Enhanced self-service

Getting the Right Start in Commercial Lending

Hewson had some advice for credit unions looking to grow their commercial lending portfolios. “Start off with a vision of success, with the right partner, and with a lending platform that will grow with you,” he said. “We’ve seen credit unions much smaller than us using LoanVantage as well as those that are much larger. Many of them are longtime users, and they’ve grown alongside the software.”

INSTITUTION

Michigan State University
Federal Credit Union
East Lansing, Michigan

WEBSITE

www.msufcu.org

ASSETS

\$6.3 billion

MEMBERS

Over 310,000

FOUNDED

1937

Larsen added, “The ability to grow without having to transition to a different platform is important. LoanVantage’s default settings, including the underwriting features, are based on best practices as determined by many other credit unions and banks, so using those is a quick and easy way to get started.”

MSUFCU is confident that no matter how large or complex its portfolio becomes, LoanVantage will be flexible and powerful enough to meet their needs, as well as the needs of their members, well into the future.

To learn more about Jack Henry Lending, visit jackhenry.com/lending, or [contact us](#).